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## MEMORANDUM

TO: Superintendents, Principals, Business Managers, CFP Coordinators  
FROM: Armando Vilaseca, Secretary  
SUBJECT: Sequestration  
DATE: December 12, 2013

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I want to remind you of the continuing federal budget struggles. We are hopeful that the recent progress made by the budget conference committee will forestall another sequestration reduction to education programs for the next school year. What actually transpires remains to be seen, but if a budget agreement is not enacted by Congress by January 15<sup>th</sup>, the likelihood of round two sequestration cuts becomes a certainty.

Last year federal education funding was reduced 5.2% by sequestration. We have not been provided with estimates at this point, but as you work to complete your budgets, we caution you that another reduction in federal funding for FY 2015 is still possible.

Your challenges this year are as great as they have ever been. We will be sending out more specific information regarding changes to the state education tax rates soon, but what we know now is that the homestead property tax rate could be more than 5% higher in a district with level funded per pupil spending. Increases in per pupil spending will compound the tax rate increase. The increase in the income adjustment rate will be less.

We recognize that these circumstances place a considerable burden on schools to maintain and advance the educational opportunities for Vermont students. I know that you are all striving for success, and I regret that our challenges are not yet over.

Thank you for your understanding and your continued hard work.